

Simple
Sustainable
Successful

Q1 2016 Results Presentation

Financial and operational stability in a volatile and uncertain oil price environment

- 1 Stable production volumes — 3.5mmboe / 38,754 boepd (FY 2015: 14.7mmboe / 40,391 boepd)
- 2 Continued reduction in cost base¹ — 20% reduction in combined Opex², G&A and transportation costs
- 3 Consistently strong margins — 70% EBITDA³ margin
- 4 Resilient at low oil prices — 15,000 bopd production hedged at US\$49.16 / bbl with US\$137.1m of cash⁴
- 5 Fully funded to complete GTU III and double production capacity during 2017
- 6 Substantial asset base — 2P reserves of 470mmboe as at 31 December 2015

Well positioned to deliver material production growth under low oil prices

¹ Total US\$m reduction from Q4 2015

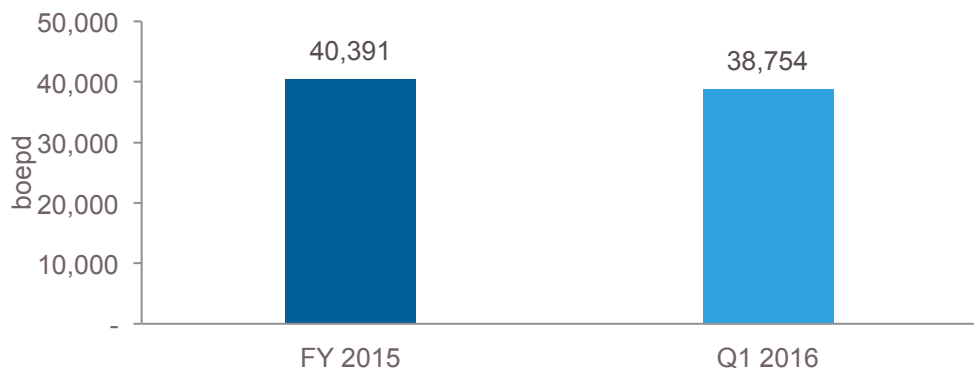
² Opex is defined as COGS less depreciation, less royalties, less government profit share, less stock change

³ Defined as Profit Before Tax + Finance Costs + Foreign Exchange Loss/(Gain) + ESOP + Depreciation – Interest Income + Other Expenses / (Income) + cash received from hedge

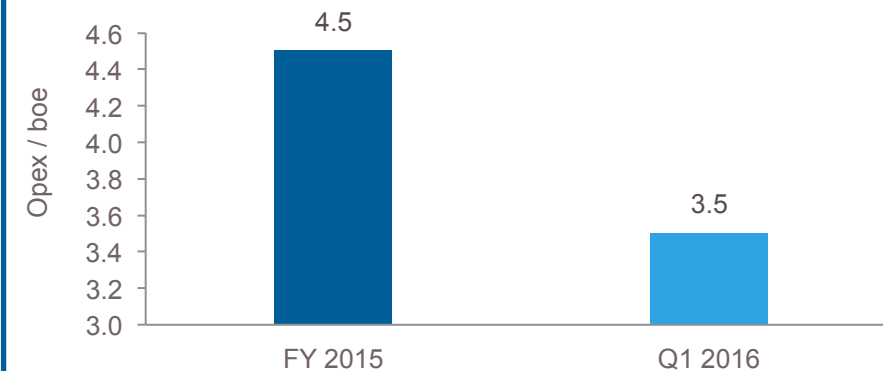
⁴ Defined as Cash & Cash Equivalents + Current Investments + Non-Current Investments

Snapshot of key figures from Q1 2016

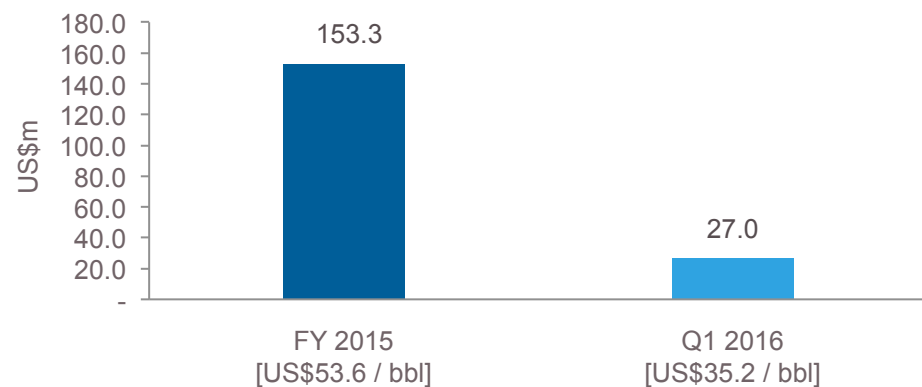
Production



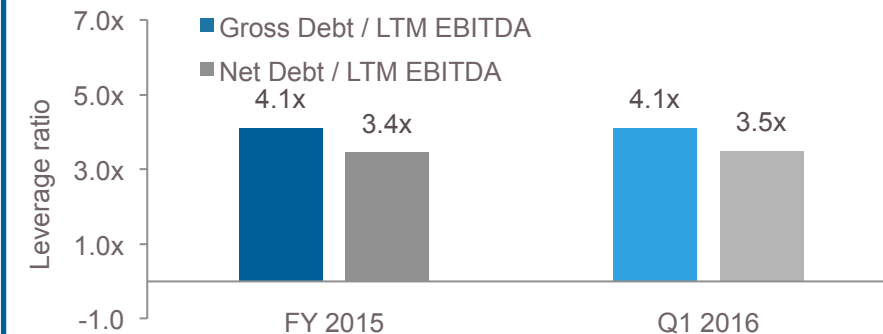
Opex / boe²



Net Operating Cash flows¹



Gross debt / net debt



¹ As reported in the consolidated group cash flow statement

² Opex is defined as COGS less depreciation, less royalties, less government profit share, less change in stock

Capital discipline

Balance sheet

- US\$137.1m cash and cash equivalents¹ on balance sheet at year end
- US\$400.0m 6.375% Notes maturing in 2019 with no maintenance covenants
- US\$560.0m 7.125% Notes maturing in 2019 with no maintenance covenants

Hedging programme

- 15,000 bopd hedge entered into on 14 December 2015
- Strike price of US\$49.16
- Settles quarterly for eight quarters (final settlement December 2017)
- First settlement of US\$19.6m received 14 March 2016

Capex flexibility

- Existing financing, hedging arrangements and cash flow from operations ensures GTU III is fully funded under any oil price scenario
- Drilling capex scalable up/down according to prevailing oil price environment and outlook

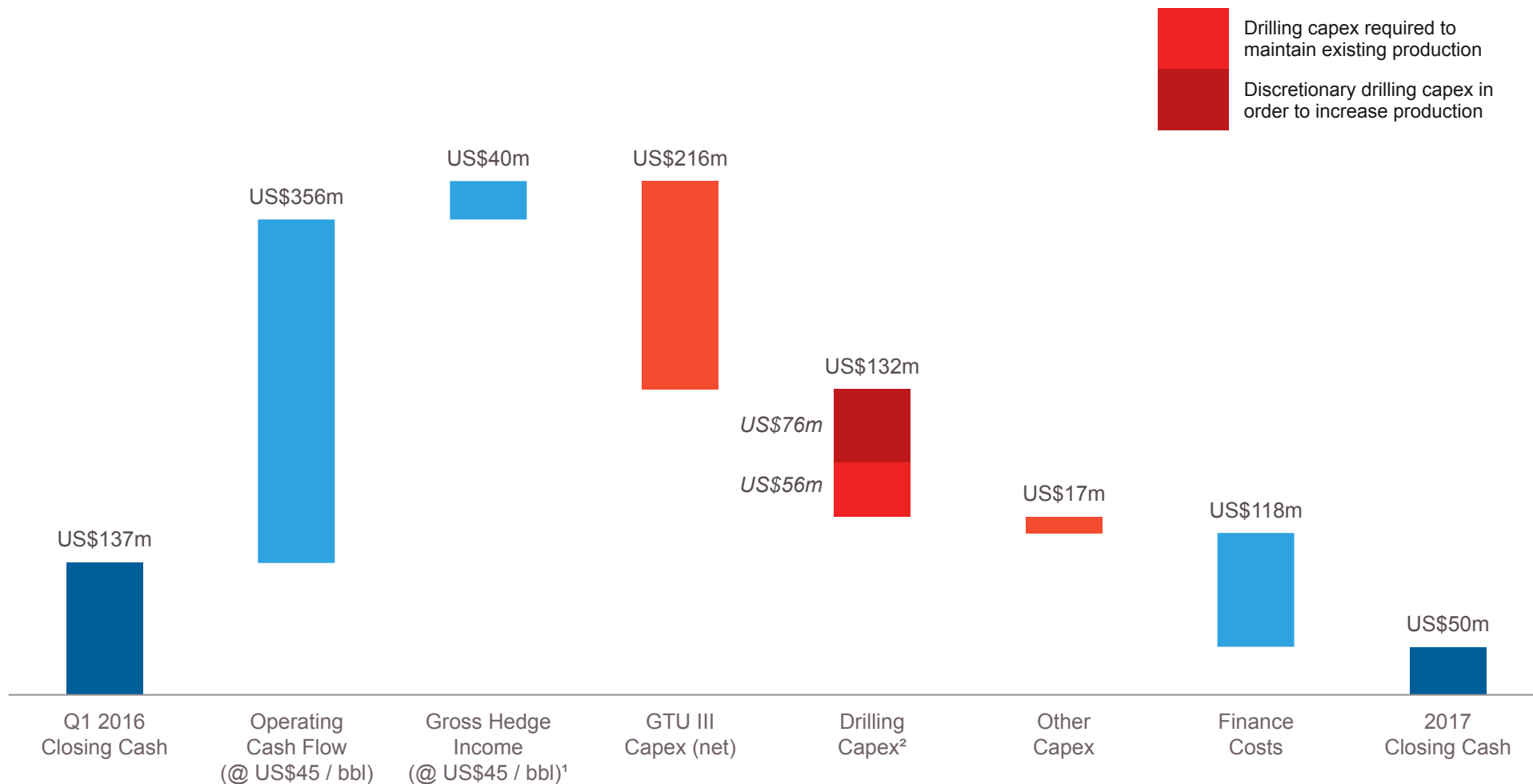
Scalable drilling

- US\$132.0m of drilling capex currently forecast for remaining 2016 and 2017
- US\$56.0m of drilling capex required to maintain current production for remaining 2016 and 2017
- US\$76.0m of discretionary drilling capex forecast over the remainder of 2016 and 2017 for GTU III feedstock

¹ Defined as Cash & Cash Equivalents + Current Investments

Resilience under low oil prices

– Fully funded to complete GTU III and maintain existing production in 2016 and 2017 under any oil price

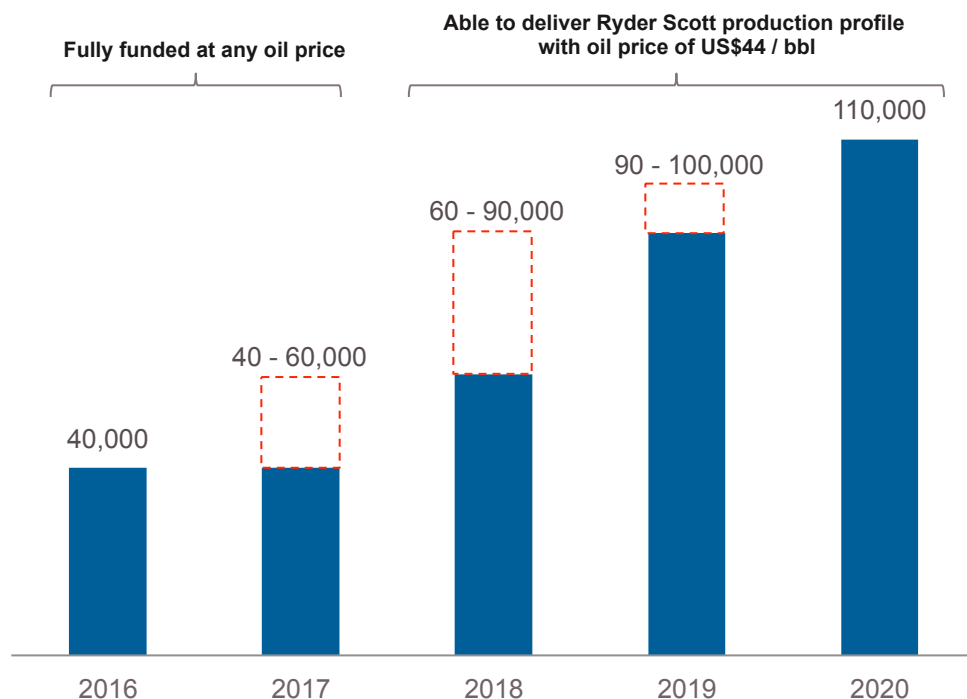


¹ Hedge income taxed at non-contractual rate of 20.0% included in Operating Cash Flow

² Drilling capex is scalable depending on oil price

A clear path to over 100k boepd

– GTU III delivers material near term production growth



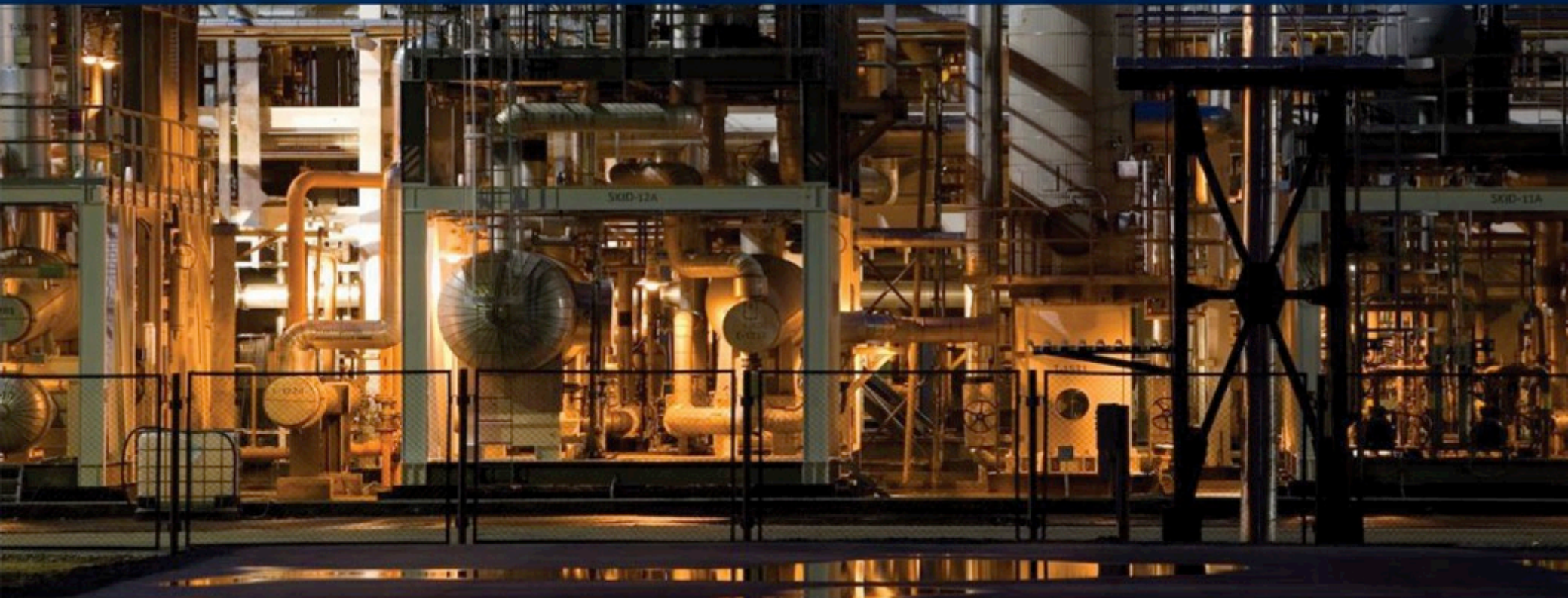
	2016	2017	2018	2019	2020
Oil price	–	–	US\$44 / bbl	US\$44 / bbl	US\$44 / bbl
Drilling cost	US\$50m	US\$100m	US\$225m	US\$230m	US\$275m

- Fully funded to complete the construction of GTU III during 2017 under any oil price scenario
- Fully funded drilling programme to maintain existing production in 2016 and 2017 under any oil price scenario
- Following the completion of GTU III during 2017, Ryder Scott production profile can be delivered under a US\$44 / bbl oil price environment prior to principal debt repayments due 2019
- Drilling activity remains flexible according to the prevailing oil price environment
- A sustained improvement in the oil price environment could increase drilling activity in 2017 which would increase available feedstock for GTU III in 2018

Nostrum is fully financed to complete the construction of GTU III and has a clear path to delivering 100k boepd peak production by 2020

Source: Ryder Scott 2015 Reserve Report

Q1 2016 Financial Results



Financial Overview – Q1 2016

US\$m	Q1 2015	Q1 2016	Change
Revenue	100.3	73.9	(26.3%)
EBITDA ¹	49.6	51.7	4.4%
Profit before tax	8.8	(7.9)	(189.8%)
<i>Current income tax expense</i>	(7.1)	(1.6)	(78.2%)
<i>Deferred income tax expense</i>	(2.9)	(2.8)	(3.5%)
Net income	(1.3)	(12.4)	N/M
Earnings per share (US\$c) ²	(1.0)	(7.0)	N/M
Capital expenditure ³	64.9	42.4	(34.7%)
Net cash flows from operating activities	(2.8)	27.0	N/M
Gross debt	950.3	956.7	0.7%
Cash & cash equivalents ⁴	318.3	137.1	(56.9%)
Net debt ⁵	632.0	819.6	29.7%
Net debt / LTM EBITDA	1.7x	3.5x	113.9%

¹ Defined as Profit Before Tax + Finance Costs + Foreign Exchange Loss/(Gain) + ESOP + Depreciation – Interest Income + Other Expenses / (Income) + cash received from hedge

² Based on a weighted average no. of shares for Q1 2015 of 184.5m and 184.8m for Q1 2016

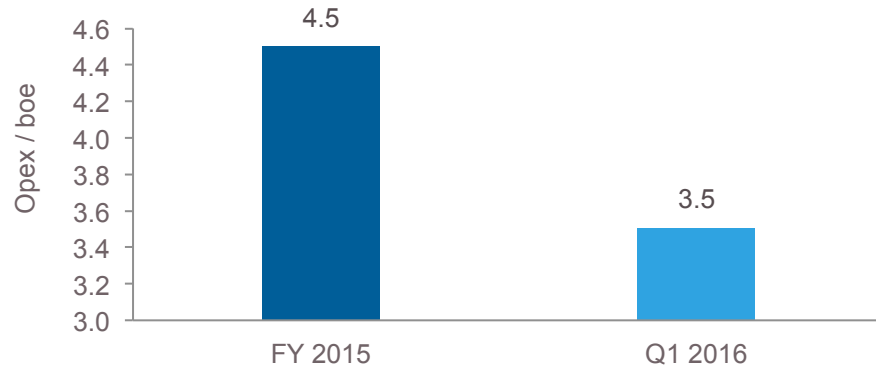
³ Purchases (net of sales) of property, plant and equipment + purchase of exploration and evaluation assets + acquisitions

⁴ Defined as Cash & Cash Equivalents + Current Investments + Non-Current Investments

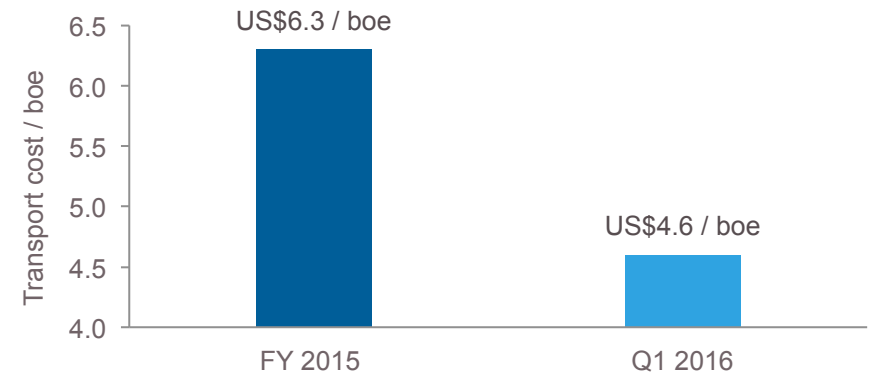
⁵ Defined as Total Debt - Cash & Cash Equivalents - Current Investments - Non-Current Investments

Progress – Snapshot

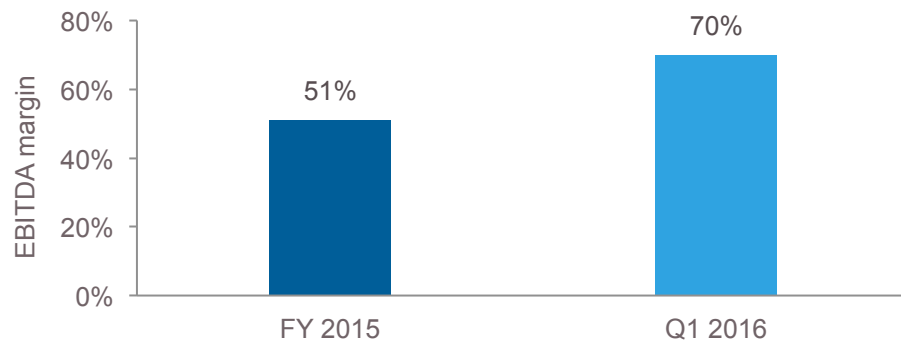
Opex / boe¹



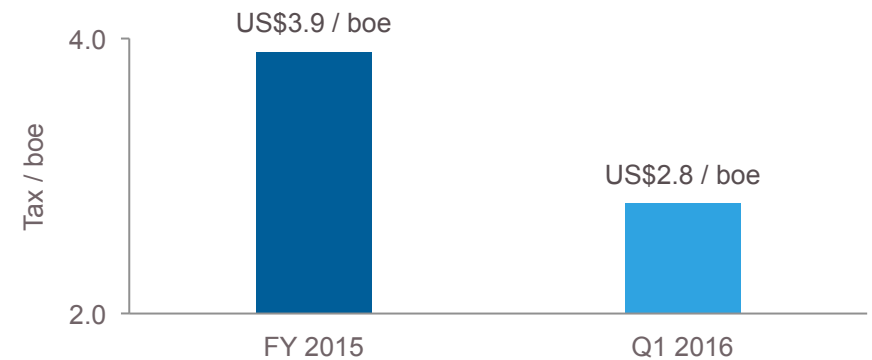
Transport costs / boe



EBITDA margin



Tax / boe²



¹ Opex is defined as COGS less depreciation, less royalties, less government profit share, less change in stock

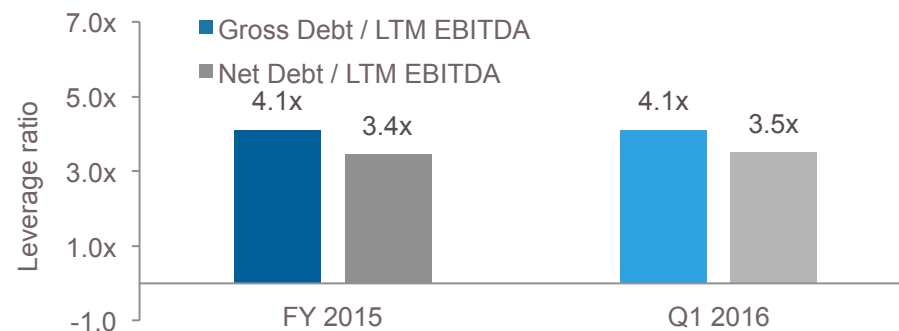
² Total income tax paid (cash flow) plus royalties and government profit share

Balance Sheet Summary

Highlights

- +70% EBITDA¹ margin
- US\$137.1m cash & equivalents²
- 15,000 bopd production hedged at US\$49.16 / bbl for 24 months (value of c.US\$200m @ US\$30.0 / bbl oil price)

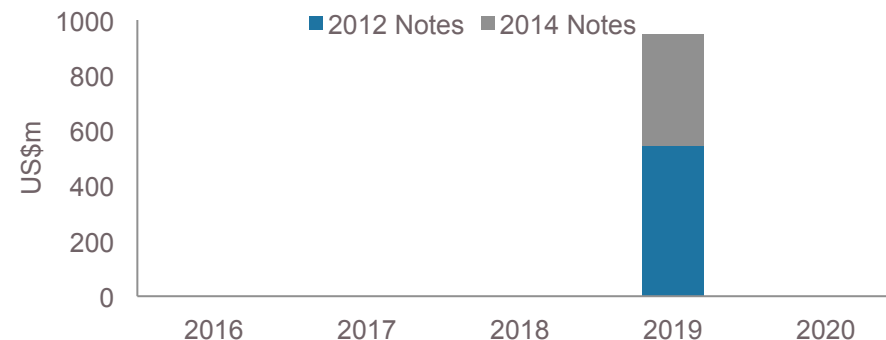
Gross debt / net debt



Q1 2016 Net Debt – US\$785.9m

US\$m	Q1 2016
Total debt, including:	956.7
2012 Notes (US\$560m, 7.125% annual coupon)	557.1
2014 Notes (US\$400m, 6.375% annual coupon)	399.6
Cash & cash equivalents ²	137.1
Net Debt	819.6

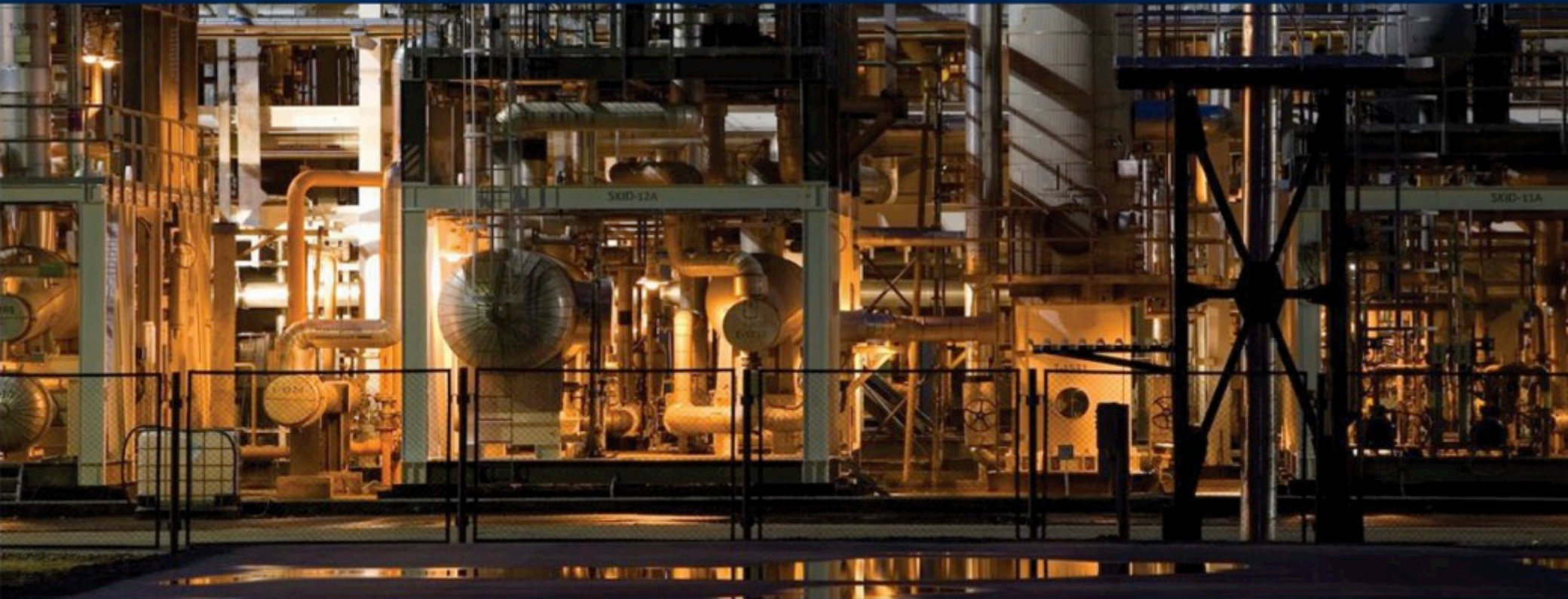
Maturity profile



¹ Defined as Profit Before Tax + Finance Costs + Foreign Exchange Loss/(Gain) + ESOP + Depreciation – Interest Income + Other Expenses / (Income)

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Supporting materials



Consolidated Statement of Financial Position

<i>In thousands of US dollars</i>	Notes	31 March 2016 (unaudited)	31 December 2015 (audited)
ASSETS			
Non-current assets			
Exploration and evaluation assets	3	37,280	36,917
Goodwill		32,425	32,425
Property, plant and equipment	4	1,661,290	1,605,756
Restricted cash	8	5,606	5,375
Advances for non-current assets	5	95,895	130,660
Derivative financial instruments	19	34,626	43,005
		1,867,122	1,854,138
Current assets			
Inventories		27,942	28,951
Trade receivables	6	39,693	31,337
Prepayments and other current assets	7	29,315	27,411
Derivative financial instruments	19	46,470	54,095
Income tax prepayment		33,300	26,926
Cash and cash equivalents	8	137,103	165,560
		313,823	334,280
TOTAL ASSETS		2,180,945	2,188,418
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	9	3,203	3,203
Treasury capital		(1,888)	(1,888)
Retained earnings and reserves		760,073	772,441
		761,388	773,756
Non-current liabilities			
Long-term borrowings	11	938,064	936,470
Abandonment and site restoration provision		16,012	15,928
Due to Government of Kazakhstan		5,631	5,777
Deferred tax liability		350,613	347,769
		1,310,320	1,305,944
Current liabilities			
Current portion of long-term borrowings	11	18,624	15,024
Employee share option plan liability	18	1,724	4,284
Trade payables	12	42,463	41,463
Advances received		1,375	245
Income tax payable		805	1,692
Current portion of due to Government of Kazakhstan		1,031	1,031
Other current liabilities	13	43,215	44,979
		109,237	108,718
TOTAL EQUITY AND LIABILITIES		2,180,945	2,188,418

Consolidated Statement of Comprehensive Income

<i>In thousands of US dollars</i>	Notes	Three months ended 31 March	
		2016 (unaudited)	2015 (unaudited)
Revenue			
Revenue from export sales		48,681	75,625
Revenue from domestic sales		25,237	24,714
	14	73,918	100,339
Cost of sales	15	(46,281)	(46,057)
Gross profit		27,637	54,282
General and administrative expenses	16	(10,249)	(12,284)
Selling and transportation expenses	17	(16,153)	(21,379)
Finance costs	18	(10,531)	(12,369)
Employee share option plan fair value adjustment	19	2,560	(2,473)
Foreign exchange loss, net		(3,611)	(986)
Gain on derivative financial instruments	21	3,558	10,005
Interest income		99	36
Other income		1,656	1,113
Other expenses		(2,879)	(7,135)
Profit before income tax		(7,913)	8,810
Current income tax expense		(1,560)	(7,145)
Deferred income tax expense		(2,837)	(2,940)
Income tax expense	22	(4,397)	(10,085)
Loss for the period		(12,310)	(1,275)
Currency translation difference		(58)	–
Other comprehensive loss		(58)	–
Total comprehensive loss for the period		(12,368)	(1,275)
Loss for the period attributable to the shareholders (in thousands of US dollars)		(12,368)	(1,275)
Weighted average number of shares		184,828,819	184,828,819
Basic and diluted earnings per share (in US dollars)		(0.07)	(0.01)

Consolidated Statement of Cash Flows

<i>In thousands of US dollars</i>	Notes	Three months ended 31 March	
		2016 (unaudited)	2015 (unaudited)
Cash flow from operating activities:			
Profit before income tax		(7,913)	8,810
<i>Adjustments for:</i>			
Depreciation, depletion and amortisation	15,16	30,929	28,578
Finance costs		10,531	12,369
Employee share option plan fair value adjustment		(2,560)	2,473
Interest income		(99)	(36)
Foreign exchange (gain)/loss on investing and financing activities		(62)	1,122
Loss on disposal of property, plant and equipment		4	7
Proceeds from derivative financial instruments		19,562	–
Gain on derivative financial instruments	21	(3,558)	(10,005)
Accrued expenses		(364)	535
Operating profit before working capital changes		46,470	43,853
<i>Changes in working capital:</i>			
Change in inventories		1,009	(4,081)
Change in trade receivables		(8,356)	(16,508)
Change in prepayments and other current assets		(1,943)	(1,488)
Change in trade payables		(1,033)	2,710
Change in advances received		1,130	(2,146)
Change in due to Government of Kazakhstan		(258)	(258)
Change in other current liabilities		(1,879)	(7,284)
Cash generated from operations		35,140	14,798
Income tax paid		(8,133)	(17,973)
Net cash flows from operating activities		27,007	(3,175)
Cash flow from investing activities:			
Interest received		99	36
Purchase of property, plant and equipment		(41,828)	(61,788)
Exploration and evaluation works		(558)	(856)
Acquisition of subsidiaries		–	(1,915)
Placement of bank deposits		–	(25,000)
Redemption of bank deposits		–	25,000
Net cash used in investing activities		(42,287)	(64,523)
Cash flow from financing activities:			
Finance costs paid		(12,751)	(12,750)
Transfer to restricted cash		(231)	(151)
Net cash used in financing activities		(12,982)	(12,901)
Effects of exchange rate changes on cash and cash equivalents		(195)	(1,508)
Net decrease in cash and cash equivalents		(28,457)	(82,107)
Cash and cash equivalents at the beginning of the period	8	165,560	375,443
Cash and cash equivalents at the end of the period	8	137,103	293,336

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